
FINDINGS AND RECOMMENDATIONS

FINDINGS 1:

The Committee found that there is almost universal agreement among those involved in the lending and foreclosure process that mortgage counseling is an effective tool to combat foreclosure and that it needs to be strengthened if this State is to weather the foreclosure storm. Several of the speakers pointed out that the need for mortgage counseling is really twofold: a need for more pre-purchase credit and housing counseling and a need for more post-purchase foreclosure mitigation counseling, in which the counselor attempts to work out a solution with the lender in order to avoid foreclosure. The Committee found that mortgage counselors are currently working at full capacity and that increased funding is greatly needed in order to ensure that everyone who needs counseling receives it.

RECOMMENDATION 1:

The House Select Committee on Rising Home Foreclosures recommends that the General Assembly consider funding additional housing counselors in a manner similar to the proposal presented by the North Carolina Association of Community Development Corporations.

FINDINGS 2:

After hearing several presentations about the need for increased legal services to respond to homeowners facing foreclosure, the Committee found that the legal services organizations have demonstrated a great capacity to meet the crisis and to assist in saving homes and stabilizing families and communities. The Committee also found that the private bar has shown a willingness to assist with this effort by recruiting 150 volunteer lawyers who will be trained and supported by Legal Aid staff attorneys. The Committee found that by investing in additional Legal Aid attorneys who would train and supervise the volunteer lawyers, the State could dramatically increase the impact of its investment.

RECOMMENDATION 2:

The House Select Committee on Rising Home Foreclosures recommends that the General Assembly consider funding the proposal presented by Legal Aid of North Carolina to appropriate \$3 million to fund its foreclosure project. (See, Attachment #1, page 8)